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ABSTRACT

No other institution has played a more significant role in support of economic development in North Carolina than the North Carolina Community College System. Presented are three challenges that will define the System's future relevance in support of economic development: (1) its ability to stay ahead of the "tidal wave" that is technological change; (2) its capabilities in workforce development to address looming technical labor shortages; and (3) its ability to support regionalism trends in economic development. The reality of higher education for the future will be to educate for competencies and certifications of ability to perform. While technology must be embraced for its ability to deliver instruction over distance, it must not replace the emphasis on fundamental education. North Carolina must increase its workforce development efforts, working hand-in-hand with industry to turn change into opportunity by adding updated skills to the maturity, experience, and strong work ethic of displaced and underemployed workers. Regionalism places a premium on workforce development as a strategic economic development asset. If the community college of tomorrow is to continue to play its role as the preeminent institution for not only educational opportunity, but also economic development, it will be because of enlightened leaders. (VWC)

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A Major Force in Economic Development: A Challenge for the North Carolina Community College System

H. Martin Lancaster
North Carolina Community College System
1998 NILIE Conference Keynote Address
March 31, 1998

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1998 NILIE Conference
Keynote Address by H. Martin Lancaster
March 31, 1998

"A Major Force in Economic Development: A Challenge for the North Carolina Community College System"

Good morning, ladies and gentlemen and welcome to North Carolina. I am pleased to be with you in one of my favorite cities. Asheville is a gracious city, blessed with a spectacular setting and an entrepreneurial, healthy economy. If you take time to explore this area -- walk around the bustling, rejuvenated downtown district, for example -- you will find that it is not only a city of great history, but one with an exciting future. It is a city of innovation, progress, and foresight. As such, it is a particularly appropriate setting for a conference devoted to leadership in a time of tremendous change.

The progressive spirit of Asheville is clearly reflected in its investment in education. Asheville-Buncombe Technical Community College turns up on every short list of campuses where good things happen. You may have read recently of AB Tech's unique program in historic restoration. If you're lucky, you have enjoyed fine cuisine prepared by a chef trained in the culinary program. We are very proud of this unique institution, as well as all of our other 58 institutions in North Carolina which make up our community college system.

If you are visiting from outside of North Carolina, you will find that we are not bashful in boasting about some of the unique qualities of our state that make us very proud -- such as the beautiful Blue Ridge Mountains which surround us today -- the flowers of Spring -- and the history of this great inn.

One of the resources of which we are most proud in our state is our community college system, and the role that each of our institutions plays in supporting economic development. In recent years, North Carolina has enjoyed significant economic development. We have consistently been a national leader in the number of new and expanding industries and resulting job growth. We are often ranked as a state with one of the nation's top business climates. We have a diverse economy, and we are a regional leader in high-tech job creation. Charlotte is the second largest financial center in the nation, and the Research Triangle Park between Raleigh, Durham, and Chapel Hill is one of the most renowned high-tech research and development centers in the world. We are immensely proud of our economic progress and we believe that this growth is a result of our innovations and progress in education and training. In fact in North Carolina, as our Governor often says, we believe that economic development is education.

That is why when I am asked which of our 59 institutions in North Carolina are involved in economic development, I answer, "All of them." When I am asked what portion of our budget is devoted to economic development efforts, I say, "All of it." When I am asked to define which aspects of our programs deal with workforce preparation, I say, "All of them."

The growth and sustained health of our economy depend upon attracting, growing, and keeping good jobs and nurturing healthy communities, as well as the lifelong learning that keeps that work force prepared for the future. Establishing a broad understanding of the integration of economic development goals and educational goals is very important to the future of the community colleges of North Carolina -- and elsewhere.

Unlike systems in some other states, our community colleges began primarily as technical education centers. Our mission has grown as the state's vision for its future has matured.

No one has ever more eloquently, more succinctly, or more accurately stated the mission of the Community College than did Dallas Herring, the visionary father of our System, in June of 1964, at one of the early conferences following the creation of the North Carolina Community College System. On that occasion, he said, "The only valid philosophy for North Carolina is th philosophy of total education; a belief in the incomparable worth of all human beings, whose claims upon the state are equal before the law and equal before the bar of public opinion; whose talents (however great or however limited or however different from the traditional) the state needs and must develop to the fullest possible degree. That is why the doors to the institutions of North Carolina's system of community colleges must never be closed to anyone of suitable age who can learn what they teach. We must take people where they are and carry them as far as they can go within the assigned functions of the system. If they cannot read, then we will simply teach them to read and make them proud of their achievement.

"If they did not finish high school, but have a mind to do it, then we will offer them a high school education at a time and in a place convenient to them and at a price within their reach. If their talent is technical or vocational, then we will simply offer them instruction, whatever the field, however complex or however simple, that will provide them with the knowledge and the skill they can sell in the marketplaces of our state, and thereby contribute to its

scientific and industrial growth. If their needs are in the great tradition of liberal education, then we will simply provide them instruction, extending through two years of standard college work, which will enable them to go on to the university or to senior college and on into life in numbers unheard of in North Carolina.

"If their needs are for cultural achievement, intellectual growth or civic understanding, then we will simply make available to them the wisdom of the ages and the enlightenment of our times and help them to maturity."

It is a mission as relevant and true today as it was more than 30 years ago when this statement was so eloquently articulated. It is a commitment to a Community College System that is comprehensive and it also reflects the philosophy enunciated by Walter Hines Page, that great North Carolinian who early in this century laid the intellectual ground work for education, the kind of free and universal education which the Community College System is the ultimate exemplar. He said, "I believe in the free public training of both the hands and the mind of every child born...

"I believe that by the right training of men we add to the wealth of the world. All wealth is the creation of man, and he creates it only in proportion to the trained uses of the community; and, the more men we train, the more wealth everyone may create.

"I believe in the perpetual regeneration of society, in the immortality of democracy, and in growth everlasting. It is the successful accomplishment of that goal which will make North Carolina great and prosperous. The more people we train, the more prosperous we will become. "

Clearly, what these pioneers were stating many years ago was the credo that we believe today -- econornic development is education.

No other institution has played a more significant role in supporting economic development in North Carolina than the North Carolina Community College System. The Wall Street Journal, in its front-page profile of Guilford Technical Community College, referred to our community college system as the State's "secret weapon" in economic development.

The Chronicle of Higher Education has written that we have been "crucial to the boom that has transformed North Carolina into one of the brightest spots on the nation's economic map."

I would love to stand up here today and talk about all of our programs that we believe have contributed to this economic development reputation:

- our customized training programs which were the first in the nation;
- our excellent two-year technical programs and college transfer programs with full articulation to the University of North Carolina system and with many of our private colleges and universities.
- our Tech-prep programs supporting school to work;
- our Small Business Centers located on each of our campuses;
- our unique support for continuing education; or
- our soon-to-be introduced initiative with the biotechnology industry.

I won't do that, however, because I am aware that we are not so very unique -- that many of you from institutions in other states have programs similar to ours, and that you are just as vital a force in economic development in your communities as we are here in this state.

In fact, of all the institutions that exist in America today, no other plays such a central role in the prosperity of our communities as the community college.Few, therefore, have the significant responsibilities that we shoulder. And, therefore, rather than reflecting on our laurels, our time is probably better spent discussing the challenges that we all face tomorrow.

In North Carolina, as in your states, stewards of public funds are increasingly careful about their investments. They have high expectations about results. Our great challenge -- and our great opportunity -- is to demonstrate afresh every day that today's investment in community colleges supports tomorrow's prosperity.

Three challenges that we now face -- three challenges that I believe will define our future relevance in support of economic development -- are as follows:

1) our ability to stay ahead of the tidal wave that is technological change;

2) our capabilities in workforce development to address looming technical labor shortages; and
3) our abilities to support regionalism trends in economic development.

1) Changing Technology

A particularly daunting challenge in this conversation about investments is the reality of changing technology. Certainly, every generation has confronted new ideas, new methods and new machines as puzzling as the ones we face today. But there are at least two things that make our technological realities somewhat different from those of earlier days.

The first is that, at least in this country, virtually all of us must learn to use -- and to some extent -- understand computers and other electronics to carry out our daily tasks. No longer can we expect armies of support staff to take care of that for us; the skill is as basic as knowing how to read -- or to drive. Five years ago, I was afraid to turn on a computer. Today I'm afraid not to.

The year 1991 represented a real milestone in the technological revolution, for it was that year that company investments in computing and telecommunications equipment outstripped the combined investments in industrial, mining, farming, and construction equipment combined. Today, the use of a computer and other sophisticated electronic tools in the workplace is the norm, not the exception. But this change has been relatively recent. Just as my use of the computer has been.

In 1984, only 25 percent of Americans used computers at work and by 1993 the number had grown to 47 percent. By the year 2000, close to 90% of all jobs will require some use of the computer.

The second trend of technological revolution is surely the dizzying pace of change. I noticed a comic strip last week in which a teenager received a software delivery via Federal Express. His parents asked why he had chosen such an expensive option for a routine transaction - and he answered that the company delivered everything that way, so it wouldn't be obsolete by the time it arrived.

We laugh -- but the reality is even more astounding. Here is a reference from a speech made by Duke Power Company's Bill Grigg to the North Carolina General Assembly about a year ago:

"Computing power is 8,000 times less expensive today than it was in 1960. A similar advance in automotive technology would enable us to buy a Lexus for two dollars. It would travel at the speed of sound and go 600 miles on a thimbleful of gas. . . . Most of us have more computing power on our wrists than existed in the entire world . . .in 1950."

Apply that kind of change to manufacturing, to banking, to service delivery, even to teaching elementary school -- and you have an environment that puts a premium on volume of information and speed of delivery.
You also have a challenge to design a new philosophy of education and training that focuses on flexibility, problem-solving and a genuine commitment to lifelong learning.

That's nothing new for community colleges. We are, after all, the experts on lifelong learning. But I think we have work to do to help our funders and the employers we serve to understand that.

Think for a moment about the language of higher education. How often do we measure "completers" and calculate the average number of years it takes to get a degree? How often do we equate a certain number of credit hours with the "mastery" of a skill? The reality of higher education for the future will be that we will be educating for competencies, certifications of ability to perform, not degrees, baccalaureates or associates.

The simple truth is that employees at any level, at any task, can never stop learning, because they will not "master" one skill, software program, or machine before the next one arrives. This is a tremendous concern for those of us who train people for high-tech industries, where employers expect new employees to be up to speed on the latest technology, not expert on castoffs from twenty years ago.

Can we possibly keep our instructional equipment current? With more resources, we can make progress. However, the real challenge is in rethinking the partnerships through which we deliver the instruction at every stage of the learning process.

Part of the answer is in the technology itself; distance learning and computer simulations can make certain kinds of training more effective and efficient.

In North Carolina, we have invested heavily in the distance learning sites at the community colleges through the North Carolina Superhighway, and there is a new effort in our state, called Power Tools for Education, attempting to address the need for more distance learning opportunities.

Part of the answer is applying innovation to sorting out who does what best, in what setting. Our community colleges have instructors who know how to teach adults. Industry has the machines and processes on which people must be trained. On-campus may be the option for some offerings; on-site clearly works better for others.

As we grapple with the daunting expense and intellectual challenge of technology, we need to remember that in fact the machines and the software are simply the tools that we employ in today's workplace. Being able to operate and manipulate modern technology is crucial to employability and therefore must be incorporated into all of our curricula. However, while technology skill must be addressed, it also must not replace the emphasis on fundamental education. If it does, we run the risk of simply reducing our students' capabilities to nothing more than machine operators, destined to obsolescence with the next generation of technology.

2) Workforce Development Emphasis to Address Technical Labor Shortages

There is no question that several areas of our state -- and many other parts of this country -- face a labor shortage--particularly among technical workers. That shortage is likely to continue at least for the short term. Some of the reasons for that shortage are the inevitable results of demography. The leading edge of the baby boom is past 50 and looking toward retirement. Their children, the "echo boomers," are beginning to enter the workforce but are not yet there in great numbers.

In North Carolina and in many of your states as well, numbers tell the story of the labor shortage.
Our state's unemployment is below four percent -- well below the national average. Here in Buncombe County, it's lower than the state average. In counties around Raleigh and Chapel Hill, it's below two percent, an astonishing testimony to the explosive growth centered on the Research Triangle Park. This sounds like great news for the economy and for the people of our state -- and it is. But it is also a challenge for us on several levels.

The first challenge is simply to keep the good news going. We are getting used to headlines saying that thousands of computer programmers and systems engineers and clinical research technicians are needed right now.

If we can't find a way to provide them, then the industries who need them might find it more efficient to move where the people are with those skills -- rather than spend big bucks bringing them here. In North Carolina, our community colleges have always known that quick response and customized training are the keys to recruiting new employers. We must improve our ability to adapt to the changing needs of the ones we already have. When I say us, I most assuredly mean the State Board and System Office as well as the colleges.
We must meet the challenge of quick response for new programs, of clear priorities for the investment of resources and strong advocacy for more resources in critical areas.

But I would like to suggest to you that bigger -- and longer-term -- challenges hide just beneath the surface of the good-news numbers. Most of the challenges relate to significant mismatches between available jobs and available workers.

In fact, many of you may be aware of the current debate regarding the shortage of information technology workers.

U.S. Departments of Commerce studies have suggested that potentially 95,000 new IT jobs may go unfilled due to a lack of qualified workers, and industry studies suggest that 346,000 jobs are currently vacant -- about 1 in 10 of all information technology jobs.

What the combination of these studies and debate suggest is that the community colleges have their work cut out for them, and probably like no time before, our focus and efforts in workforce development are vitally important. Tony Zeiss, President of Central Piedmont Community College in Charlotte, captured the urgency of this issue when he and his associates wrote in the conclusion to their national study entitled "Developing the World's Best Workforce: An Agenda for Community Colleges":

"The task of educating and training a world-class workforce that can think for itself and outperform the rest of the world is formidable, but the stakes have never been higher nor the potential rewards greater. If the nation fails to develop a workforce that can compete successfully in the global economy, it will be unable to provide the living standards to which its citizens have become accustomed; the gap between the rich and poor will widen; and the

nation's position will erode sharply.

"However, if the nation can respond effectively to the challenge to develop the most skilled and adaptable workforce the world has ever seen, it will ensure the prosperity of its citizens into a second American century."

Today, employers obviously prefer a well-trained worker, ready to go with specific skills, and probably 23 years old. But we know that we have a large -- and growing -- number of people in North Carolina who want to work, who need to work, who are able to work -- but who need new skills to do the work of tomorrow.

Many thousands of those people have worked hard all their adult lives -- only to see their livelihoods disappear in the realities of economic change. Look at the textile industry, for example, the backbone of the South's first leap into manufacturing. Yes, our textile companies are staying competitive, improving productivity and upgrading technology. But in the process, they are shedding jobs by the thousands; in 1997 alone, North Carolinas lost 4,500 textile jobs.

New owners and new methods are changing the furniture industry, too. The March 13 issue of the Chronicle of Higher Education described a new book about the closing of the White Furniture Company, the mainstay of Mebane, North Carolina. While acknowledging that outdated equipment and processes are at least partly to blame for throwing 200 people out of work, former employees mourn the loss of a business that had been part of their town for more than a century. I particularly noticed the following quote about a woman named Annette Foust Patterson:

"For the divorced mother of three, the hard physical labor-- sorting, cutting, planing....was nonetheless steadier and paid more than any other job she'd had. Now, with temporary and part-time work, she can't make ends meet. For the first time in her life, she's thinking about welfare."

If she's thinking about welfare, she had better be thinking about how to get to back to work at a living wage as quickly as possible, too. North Carolina is in the forefront of the welfare reform movement. The Workfirst program designed by Governor Jim Hunt's administration has cut the welfare rolls by 31 percent, moving more than 50,000 people off welfare and into the workforce.

Can Annette Foust Patterson and thousands more who have been downsized, bought out and closed down help meet the challenge of the labor shortage? Can Workfirst clients come out of their intense, short-term training with skills that will lead them into jobs with the promise of a living wage and the opportunity for growth?

If we just look at the cold hard facts, maybe we would say -- no, they probably can't. According to federal labor statistics, most of the new jobs of the 21st century will require at least two years of training and education after high school, with strong emphasis on technical skills. Fewer than half of today's North Carolina workers meet those qualifications, and it's probably a safe bet than even fewer Workfirst clients do.

But if we look at the potential for people to learn, the need for us to find solutions that benefit everyone -- and the unique and wonderful ability of community colleges to answer the challenge of change, then I think we can say -- yes, we can match the jobs of this booming economy with many of the people who need them right now. And probably we are the only institution in America which can.

Meeting this challenge will test the flexibility that has always been the hallmark of community colleges. We must not count on just our existing programs, services, calendars and schedules to meet new demands. And most important, we must step up our workforce development efforts, working hand-in-hand with industry to turn change into opportunity by adding updated skills to the maturity, experience and strong work ethic of displaced and underemployed workers.

As Tony Zeiss'es study so clearly indicates, community colleges have the opportunity to be the critical bridge between companies who need workers and citizens who need jobs. Our ability to build the right kind of bridge in the right place will define our future.

3) REGIONALISM

A final issue or challenge I want to mention is regionalism -- a very current topic of economic development, particularly here in North Carolina where we have seven economic development regions.

As business observers such as Kenichi Ohmae have suggested, the economic environment we currently live in today is one of a "borderless society." For the first time in human history, notes economist Lester Thurow, anything can be made anywhere and sold everywhere. International, much less state borders, mean relatively

little in a borderless economy.

What implications does this have for us as community college leaders?

First, as former Labor Secretary Robert Reich has pointed out, it places a premium on workforce development as a strategic economic development asset. When capital and technology are fluid, a region's greatest comparative advantage is the skill of its people, the least mobile of all economic assets in today's competitive environment. As a result, the community college and other educational institutions that support workforce development attain an even more central role as economic assets -- today more than ever economic development is education.

For a region to be world class, as business professor Rosabeth Moss Kanter suggests, it "must have a concentration of skills that are hard to uncouple from local assets." Consequently, the local capabilities of community colleges and universities become even more strategic.

It would be hard for us in North Carolina to imagine the development of the Research Triangle Park without the strategic role played by the three universities, and equally important, the community colleges, such as Durham and Wake Technical Community Colleges, and their focus on workforce development for the high-tech community.

A second implication is that if state and international borders mean very little in today's borderless economy, imagine how meaningless our own educational borders become -- particularly in the age of the Internet. I am not saying that we should not have respect for our service areas, but in a borderless society, we must find ways to break down the borders which separate us as institutions.

In the 15 county area surrounding Charlotte, 10 community colleges in both North and South Carolina have learned to break down borders by creating the Charlotte Regional Workforce Development Partnership. Through this unique, grass-roots partnership, they have strengthened their institutions and their region by agreeing to share instructors and other specialized resources through a formal partnership arrangement.

In Guilford County, they have learned to break down borders between institutions through a unique partnership between Guilford Technical Community College and the Guilford County Schools. Due to the enlightened leadership of President Don Cameron and Superintendent Jerry Weast, there are now clear pathways to training and apprenticeship for technical careers in strategic industry categories. Students have greater opportunities and the private sector has a greater pool of skilled technical workers.

In conclusion, if the community college of tomorrow is to continue to play its current role as the preeminent institution for not only educational opportunity, but also economic development, it will be because of enlightened leaders. Leaders with the knowledge to understand and adapt to technological change. Leaders with the vision to create and support innovative workforce development programs that are inclusive of the entire community. Leaders with the courage to operate in a borderless society. Leaders who understand that economic development is education. Leaders such as you who are attending this conference.

Thank you very much. Again, we are very honored that you, the current and future community college leaders of America, are here in North Carolina today. We hope that we have been able to share our vision for community college education and its role in economic development in our state.

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